



**CONVENTION ON
BIOLOGICAL DIVERSITY**

Distr.
GENERAL

UNEP/CBD/COP/3/Inf. 30
30 October 1996

ORIGINAL: ENGLISH

CONFERENCE OF THE PARTIES TO THE
CONVENTION ON BIOLOGICAL DIVERSITY
Third meeting
Buenos Aires, Argentina
4 to 15 November 1996

**REPORT OF THE ASIAN PREPARATORY REGIONAL MEETING FOR THE THIRD MEETING
OF THE CONFERENCE OF THE PARTIES TO THE CONVENTION ON BIOLOGICAL
DIVERSITY**

A. INTRODUCTION

1. The meeting, organised pursuant to decision II/22 of the second meeting of the Conference of the Parties of the Convention on Biological Diversity, was held in Kuala Lumpur, Malaysia, at the invitation of the Government of Malaysia between the 25th and 26th of October.
2. The meeting was attended by representatives of Bangladesh, China, Democratic Peoples Republic of Korea, India, Indonesia, Iran, Japan, Malaysia, Mongolia, Nepal, Oman, Pakistan, Philippines, Republic of Korea, Sri Lanka, Vanuatu, and by observers from the Asian Wetlands Bureau, the Third World Network and the World Wide Fund for Nature.

B. OPENING OF THE MEETING

3. The meeting was opened by the Honourable Datuk Law Hieng Ding, Minister of Science, Technology and the Environment. The Minister highlighted the key issues that he believed this meeting should consider by way of preparation for the forthcoming Conference of the Parties (COP). The Minister stressed that, although each and every issue on the agenda was important, this meeting should focus its attention on those issues which would benefit from regional action from the Asian Regional Group. He identified several key issues which would benefit from such a common understanding as being: capacity building and developing infrastructure;

financial resources; technology transfer; and biosafety. He observed that there is an urgent need for the Parties to fulfil their obligations with regard to these issues. However, he noted that the flow of funds through the Global Environment Facility (GEF) has been disappointing; and that technology transfer remains an idea and is not a reality.

4. Mr V Danabalan, Secretary General of the Ministry of Science, Technology and the Environment (Malaysia), was elected Chairperson and Mrs B Muller (Philippines) was elected Rapporteur.

5. The provisional agenda contained in document UNEP/CBD/RGA8/2/1/Add.1 was adopted without amendment.

C. IMPLEMENTATION OF THE CONVENTION AND PREPARATION FOR THE CONFERENCE OF THE PARTIES

6. The views expressed by the Honourable Datuk Law Hieng Ding in his opening address were generally endorsed by the meeting. Delegates identified a number of further concerns for each one of the following key issues which they wished to convey to the Conference of the Parties.

1. The Financial Mechanism and Resources

7. The meeting noted with interest the presentation made by the GEF representative on the activities of the financial mechanism.

1.1 Report of the Financial Mechanism

8. The Asian Group recognised the ongoing efforts made by the GEF to respond to the concerns of the COP. The Group, however, emphasised that the GEF should focus on reporting on activities that it has undertaken specifically as the institutional structure which operates the financial mechanism on an interim basis. The Asian Group felt that the report of the GEF to the COP has not focused enough on what the GEF has done to implement the decisions of the COP. The Group is primarily concerned with the responsiveness of the GEF to the decisions and guidance of the COP and the extent to which its Operational Strategy reflects the threefold objectives of the Convention, namely conservation, sustainable use and benefit sharing.

9. It was also recognised that further efforts needed to be made to expedite project development.

10. The need to improve the allocation of funds within the GEF portfolios as well as the need to increase the transparency of the procedures followed for developing and approving projects were acknowledged.

11. The need for greater coordination among the institutional entities of the GEF in implementing and developing projects was also stressed. In particular, it was felt that further attention should be given to increasing transparency with regard to the line of accountability in project development and implementation. Coordination of the STAP and the SBSTTA will improve implementation and avoid duplication and is encouraged by the Asian Group.

12. The Group noted that the complexity of the project cycle decreases transparency and the speed with which financial resources are made available.

1.2 The Memorandum of Understanding

13. The Asian Group considered the draft Memorandum of Understanding (MOU) between the COP and the GEF Council presented to it by the Secretariat during the meeting. The Asian Group acknowledged the efforts made by the Secretariats to develop the MOU in accordance with decision II/6 of the COP. Nevertheless, the Group was concerned about specific elements in the MOU that have never been considered at the COP meetings. For example, paragraph 2 of the MOU, which stipulates that the GEF will operate the financial mechanism until 1999. The Group also expressed concern about meetings attended by certain individuals in their personal capacity to discuss a draft MOU with the GEF and stressed that these meetings should not hinder the COP from making its own decision about the contents of the MOU. The Group recognised, however, that there should not be any further delay in considering the MOU and that it is desirable that the third meeting of the COP come to an agreement on an MOU based on further negotiations on the revised draft contained in UNEP/CBD/COP/3/10.

14. With respect to the revised draft MOU, the following were some specific concerns raised by developing country members of the Asian Group:-

1. that the authority of the COP over the financial mechanism should be categorically stated in the MOU, in line with paragraph 1 of Article 21 of the Convention;
2. that there should be explicit reference to the "interim" nature of the GEF as the institutional structure to operate the financial mechanism, in line with Article 39 of the Convention;
3. Paragraph 6 should be entitled "Joint Determination of Aggregate Funding Requirements," and not "Joint Determination of the Available GEF Funding," as it is currently drafted;
4. the MOU would benefit from a reordering of its paragraphs; and
5. that the communication referred to in Paragraph 6(e) should also refer to the technical reasons as to why a project might not be approved by the financial mechanism.

1.3 Designation of the GEF as the permanent institutional structure to operate the financial mechanism of the Convention

15. With the exception of one delegation, the Group was of the opinion that designation of the institutional structure might be premature until some assessment of the effectiveness of the interim institutional structure on the basis of lessons learned and concrete experience was made.

1.4 Guidelines for the review of the effectiveness of the financial mechanism

16. The Group recognised the importance of this issue and stressed the need to develop criteria for the guidelines for the review on the basis of lessons learned and experienced gained in the implementation of the COP guidance as well as the outcome and impact of activities funded by the financial mechanism.

1.5 Policy guidance from the COP to the financial mechanism

17. The Group noted the flexibility of the GEF in responding to the evolving guidance of the COP, as stated in its operational principles and the request contained in paragraph 6 of decision II/6 of the COP. However, it also noted that there is room for improvement, both in the extent that the Operational Strategy reflect the guidance of the COP and the clarity of the guidance given by the COP. In this respect the Asian Group recognised a need for revised guidance from the COP which would build on the experience gained and lessons

learned in operating and utilising the financial mechanism.

18. It was felt that improvements could be made with regard to timeliness, simplification of the project cycle and the need to de-link project approval with the preparation of national reports. Furthermore, the Group were concerned that the Operational Criteria for enabling activities, as currently applied, are not responsive to the particular needs of developing countries. The Group underlined need for the COP's guidance to reflect fully the threefold objectives of the Convention.

1.6 Additional financial resources

19. Concern was expressed by developing countries about:-

1. the reduction in levels of Official Development Assistance (ODA);
2. what constitutes new and additional funding; and
3. the need to consider ways of using existing ODA more effectively. In this respect the Asian Group strongly supports efforts to mainstream biodiversity issues into the work programme of funding institutions.

2. Biosafety

20. The differing views about the timeframe for the negotiations of a Protocol were noted at the meeting. Given the urgency of the matter, the Group felt that negotiations for the Protocol should be initiated immediately upon the completion of the work of the Ad Hoc Working Group on Biosafety in 1998. It was recognised that there is an urgent need for an early adoption of a Protocol due to the rapid development of biotechnology.

21. It was noted by some delegates that several key issues, such as liability and compensation, and social and economic aspects, have political implications which will not be within the capacity or competence of the Working Group and will require guidance or input from the COP.

22. Developing country members of the Asian Group felt that the matter should be discussed at the third meeting of the COP.

3. Administration of the Convention.

23. The Group recognised that there is a direct link between administrative efficiency and the effective implementation of the decisions of the Conference of the Parties. It noted that due to the administrative rules, there is often a clear gap between the expectations of the COP and the actual implementation of the programme of work.

24. The Group endorsed a recommendation that there should be more flexibility in these administrative arrangements which govern the operation of the Secretariat, in order to facilitate the effective implementation of the decisions of the COP.

4. The Jakarta Mandate

25. The progress that has resulted from the appointment of a member of staff in this programme was welcomed. The Asian Group nevertheless remained concerned about the need for adequate resources for the implementation of the Jakarta Mandate.

26. It was noted that the work of the Experts Group would also benefit if the expected targets and products of the Group were further clarified by the COP.

5. Clearing-house mechanism

27. The development of a regional focus was welcomed and in this regard the regional meetings were considered useful. However, the Asian Group saw some merit in further developing sub-regional and regional cooperation by considering a recommendation for sub-regional and regional focal points for the CHM. This last point was recommended by the Group as a matter which the COP may wish to consider at the fourth meeting of the COP when it undertakes the overall review of the *modus operandi* of the Convention.

28. The Pilot Phase of the clearing-house mechanism has concentrated on developing a technological based mechanism. There was concern about problems that some developing countries might have in properly benefiting from the clearing-house mechanism, which was overly reliant on advanced information technology.

29. The Group was of the view that emphasis should also be given to the role of the clearing-house mechanism as a mechanism not only for the sharing of information but also for the transfer of technology, joint ventures and as a means for human resource development.

6. Focusing the programme of work

30. There was general agreement that the workload of the Convention process requires focusing in order to enable it to make progress and that the heavy demands placed upon the human resources of the developing Parties should be respected.

31. Priority issues which were identified by the Group include:-

- (i) the provision of financial resources and the transfer of technology;
- (ii) focusing the work of the SBSTTA through the identification priority issues;
- (iii) development of some intersessional mechanism through which issues that have political implications could be considered, such those raised by Article 8(j) and/or Article 11;
- (iv) regional approaches to access to genetic resources;
- (v) identification of regional focal points; and
- (vi) the possible role of the clearing-house mechanism as a mechanism for the transfer of technology and human resource development.

7. The Report of the SBSTTA

32. The Group took note of the comprehensive report of the second meeting of the SBSTTA. Many of the above issues related to the work and report of the SBSTTA as well.

33. The agenda for the SBSTTA also requires focusing through prioritisation of the issues before it, such as forest biodiversity, marine and coastal biodiversity, and mountain and desert ecosystems. Special attention should be given to programming of the *in situ* and *ex situ* conservation in a balanced manner.

34. It was acknowledged that there is a clear need for more intersessional work on scientific and technical issues.

35. It was also recognised as important for the SBSTTA to build on existing knowledge so as to avoid duplication and to use this knowledge in the most efficient manner.

36. The Group felt that regional scientific meetings such as the one held in Cheng Mai in May 1996, were worthwhile and should be encouraged. Regional meetings such as this will also contribute to the regional approach. Regional and scientific meetings of this nature should emphasise transparency and encourage the participation of all interested parties as well.

37. The meeting stressed a need for transparency in the conduct of the work of the SBSTTA. In particular, participation of all interested parties should be encouraged.

38. The Asian Group stressed that the work of the SBSTTA needs to be more focused through the identification of priority issues.

39. The Group also emphasised the important role that the SBSTTA has in technology transfer and capacity building.

7. Implementation of Article 8(j)

40. The need to stress the threefold objectives of the Convention with regard to Article 8(j) was emphasised. Concern was expressed at the efforts to politicise the nature of the discussions on the matter. The Group would like to see progress and believes that this would be best facilitated by de-linking the political aspects and emphasising the objectives and principles of the Convention, particularly the benefit sharing provisions.

41. During the second meeting of the SBSTTA, an attempt was made to shift the emphasis of the debate from benefit sharing to rights of self-determination. If the situation were to be repeated at the third meeting of the COP the debate will become polemic and no substantive decision will be taken. There is a need to put into place systems to protect indigenous knowledge and to reward the communities for their contribution.

8. Agricultural biodiversity

42. Three key issues were raised by developing country members of the Asian Group.

8.1 The Impact of Trade Liberalisation on Biological Diversity

43. It was recognised that the impact of trade liberalisation policies on agricultural biological diversity raises a number of serious and pressing concerns. In particular, the Group wishes to express its concern with the negative impact that trade liberalisation has on agrobiodiverse cultural systems which are prominent within the Asian Region and the consequence that this has for agricultural biodiversity. The Group felt that the absence of

national measures to protect and safeguard such production systems may undermine the promotion of conservation and the sustainable use of agricultural biodiversity. Concern was also expressed over food consumption patterns which have increasingly been standardised.

8.2 Progress of FAO Global System

44. The Group reiterated that the FAO Global System for the Conservation and Utilisation of Plant Genetic Resources for Food and Agriculture should conform with the provisions of the Convention. Concern was expressed with regard to the absence of a financial mechanism within the Global Plan of Action for Plant Genetic Resources for Food and Agriculture. The absence of a mechanism for the transfer of technology and the equitable sharing of benefits within the Global Plan of Action also was also a matter of concern for the Group.

45. The Asian Group expressed its concern with regard to the lack of progress in two outstanding areas in relation to Resolution 3 of the Nairobi Final Act, namely, the question of farmers' rights and the matter of how to treat those *ex-situ* collections acquired prior to the Convention's entry into force.

8.3 The Impact of TRIPs on agricultural production system

46. The Group noted that the patenting of genes is occurring increasingly with regard to agricultural biotechnology. This raises a number of issues which need further consideration. These include: the impact that intellectual property rights (IPRs) over such genes might have on research and development within developing countries; the extent to which developing countries can develop biotechnology; and to what extent IPRs will marginalise the research and development work that is currently being carried out in developing countries.

9. Implementation of the Convention

47. The Asia Group felt that the COP must be guided by the following principles in matters dealing with implementation of the Convention:

1. the Group underlined that the threefold objectives of the Convention are mutually supportive and should be given equal attention and implemented together;
2. the Group observed that annual meetings of the COP and the SBSTTA have not allowed for proper consideration of the agenda items. There was agreement that the issue of implementation of the provisions of the Convention needs urgent consideration. In this respect the concept of using some intersessional subsidiary body was noted as possibly providing a useful mechanism with regard to implementation;
3. a balance must be achieved between *in situ* and *ex situ* conservation;
4. there is an urgent need for capacity building and infrastructure development for the implementation of the Convention, especially in the Asian Region;
5. there is a need to establish linkages with related conventions, organisations and initiatives in order to avoid duplication of activities. In particular, the third meeting of the COP should give consideration to identifying priority areas for biological diversity conservation which could be implemented in conjunction with other conventions or agencies; and
6. that technology transfer should be considered in terms of its impacts on indigenous knowledge innovations and practises.

- - - - -